

Mr. Ichi Shingu, Chairman of Daihatsu Motor Co., Ltd.

March, 1958 Graduated from Mechanical Tech Dep't, Faculty of Engineering, Tokyo University

April, 1958 Entered Toyota Motor Co., Ltd. (The current Toyota Motor Corporation)

February, 1982 Chief engineer, Product Planning

September, 1986 Director, member of the board

September, 1990 Managing Director, member of the board

September, 1992 Senior Managing Director, member of the board

September, 1994 Vice-President, Daihatsu Motor Co., Ltd.

June, 1995 President

June, 2000 Chairman

Hold spirits, courage and persistence, I deal with a matter.

The movement of reorganization in the automotive industry has achieved prominence recently. Each manufacturer has tie-up or merger each other in various ways to take the initiatives in the next generation. Light-car industry isn't an exception. Daihatsu led by Ichi Shingu, Chairman having this interview comes in the second of the market and rapidly follows the first Suzuki. Daihatsu has recently has kept good business in sales of light-car. However, it wasn't in good condition at the beginning in 1990s. The company had a deficit for a while in the period. It was Mr. Shingu who succeeded in getting out of the severe condition. We had an interview with him this time and asked him about how he revitalized Daihatsu and strengthened the relationships with Toyota. If you read this interview, you'll know several key points of elements of corporate reform.

Until become the top of Daihatsu

Interviewer: When I saw several documents of your company, I could know you received an award "A person of the year" of RJC (Automotive Researchers' & Journalists' Conference of Japan). Concerning the improvement of Daihatsu, there were many things that we couldn't talk about without you. So today, I'd like you to explain your previous career, your thought and achievement in Daihatsu as Vice President, President and Chairman. First, could you tell me what kind of job you experienced when you worked in Toyota?

Mr. Shingu: I entered Toyota Motor Co., Ltd in 1958 when I graduated from university. There were two TOYOTAs at that time, Toyota Motor Co., Ltd and Toyota Motor Sales Co., Ltd. The first company mainly manufactured products. The second focused on selling cars. I came to Daihatsu at the end of September 1994. In Toyota, I worked in the Products Development Dept. and experienced design, experiment and product planning for 36 years from 1958 to 1994 where I mainly experienced developing cars, trucks and some functions. Finally, I was in charge of Senior managing Director in Toyota for two years and I came to Daihatsu. Before I entered this company, I worked as non-executive director of Daihatsu for two years. Due to such relationship, I thought I was told to work here.

Interviewer: What image for Daihatsu did you have before you were transferred?

Mr. Shingu: I didn't know it well. I was transferred here in 1994. I worked as a non-executive director for two years before coming here. I was in charge of developing jeep type of car "Land cruiser" in Toyota in 1976-81. Daihatsu had had business tie-up with Toyota since 1967 and happened to manufacture the same type of car "Taft". If we place Toyota's engine with its brand and sell it, we can cooperate to increase the sales of Taft. Therefore, the top ordered me to do it. As I was in charge of same kind of car and I experienced to contact with this Development Dept. That's why, I guess, I came to be non-executive director. I thought Daihatsu had longer history than Toyota's and was very proud. My senior at college worked here. I majored in faculty of engineering and Mr. Ono, Vice-President who was also one of my seniors worked there and took much care of me. There were so many seniors in the company where it was full of pride and confidence. We also outsourced to develop and manufacture diesel engine, so I contacted with people there, but we'd rather be on the user side and be positioned as a customer who used Daihatsu's car and couldn't manage to receive our request. It was difficult job.

Interviewer: After being non-executive, you came to this company as Vice President, what did you think when you moved here?

The first action when I came to Daihatsu

Mr. Shingu: When I was ordered to come here in 1994, Daihatsu was in very severe condition since it had a loss in the fiscal year of March of 1993. Therefore the reason I came here was guessed nobody wanted to come. If we judge it by common sense, it wasn't a company that I was pleased to come when I was ordered. It cut development expenses and equipment investment to the bone and was in the middle of cost reduction. The reason depends on what people think about the situation. I was engineers, so I guess one of the reasons was the company didn't develop products very well and sold fewer products therefore when I was said to come here the first mission was to make more competitive product lineup and more competitive products. I regarded it as my basic concept in Daihatsu.

Interviewer: What did you aim to do when making product lineup and competitive products?

Mr. Shingu: First, the company did too many things for the capacity of development, production engineering and marketing, so I had to focus them on advantageous field.

Interviewer: What do you mean by it?

Mr. Shingu: Daihatsu sold 660cc mini-size cars/vans/trucks series, 1.3L/1.5L/1.6L small size cars series, 2L gasoline/3L diesel Jeep type vehicles, 3L diesel cargo-trucks and vans. The company sold considerably wide range of products and yet it couldn't help doing so in the conventional manufacturing and sales processes

Interviewer: Did you focus on specific products?

Mr. Shingu: I had to narrow down the focus of products so that we could fulfill our potential and sell them well in the market. I thought about what products we should focus on. As a result, we had to focus on mini-size vehicle series, because we sold it well so far but had few experiences to sell bigger products and weren't good at selling it. Therefore, we decided to focus on mini-size products.

Interviewer: Did the whole company smoothly agree to focus on the mini-size? Or did you have any difficulty in doing it?

Mr. Shingu: We had a lot of difficulties. The strongest opponent was the Domestic Sales Dept. because it had a pride cultivated for a long history. If we narrow down the target, it means to tell people in the Dept. that they had no ability to sell bigger products. They don't want to be told so. They told me to manufacture such products as making use of their ability in order to sell products in all areas.

Interviewer: How did you devise to direct them to agree the plan?

Mr. Shingu: There were many non-salable products regardless of developing such wide range of products. Therefore we told them to cut them. If we do so, they would rather reduce the sales cost. First, we tried to do it and then would decide whether to expand our business. I convinced them to say like that.

Interviewer: You mean this plan was carried out under the initiative of the top.

Mr. Shingu: Yes. I placed product planning Dept. under the direct rule of the top and made lot of sympathizers. It was the 90th anniversary of the foundation in 1997. The corporate planning decided to make any vision to aim for the 100th anniversary, so I thought this was a good chance to place my idea there to make good use of it. Therefore, we had various discussions to think about "D vision 100" to direct to narrow down products.

Interviewer: A little after the period to reduce the target products, the legally regulated specification of light-car changed.

Mr. Shingu: The specification change was published in September 1996 and mandated in October 1998. In its advance, Transportation Ministry and Japan Automobile Manufacturers Association, Inc. (JAMA) had been discussing how they change it. At that time, I was a member of the relating committee. I joined the discussion, too.

Interviewer: Did the review of the specification cause to promote your plan or have nothing relation with it?

Mr. Shingu: The changes of specification would rather give us hurdle such as strengthening of exhaust gas regulations, safety regulation and cause us to be in trouble. However, unless we passed the specification, we couldn't sell our products, so how we made smooth of clarifying it was our challenge. We experienced such things before several times. The purpose of change the specification of light-car was to improve safety performance level against frontal crash, side crash, and rear crash safety performance level to the same as small cars including compact car. In order to do so, it was clear that the previous size of light-car was insufficient to achieve it by various experiments. Therefore, we had to make the width and length bigger. If they changed the collision safety regulation level to the same size as compact car, some people insisted to apply the same dimension as it.

In the case of compact cars, the same size specification is applied to as that of biggest 5 license number cars. We can change the size of cars of 1000cc or 1300cc displacement up to the same level of 2000cc equipped 5 number licensed cars. Extremely saying, they wanted to delete the specification of light-car. However, if we said so, other regulations such as tax and insurance privilege might be cut, therefore we couldn't demand further but only to the moderate level. Therefore, each light-car manufacturer discussed various technologies and managed to keep less size than that of the smallest compact car of 1000 cc displacement to clarify the specification. We had various difficulties in doing so. When I was transferred to Daihatsu, it was the times that we had such discussions.

Cooperate with Sales Dept.

Interviewer: I would like to ask a little more about it in detail. When Sales Dept. refused to narrow down the target products, did you have any key point to overcome it well?

Mr. Shingu: I told them one more thing. Daihatsu was in the severe condition at that time, so we couldn't manage to launch out new products. It was because we treated a wide range of products. This was one of the big factors. Therefore if we narrowed down the target, we told them to increase more opportunity to manufacture new products than now for example, we launched it once a year before but could do it twice a year.

Interviewer: Did they easily accept such proposal?

Mr. Shingu: They welcomed to receive it. They said, "You manufacture a new product once every six months. We will expect it to a large extent." However, since we had to reduce merchandise range to a big extent, we might have some cases to stop selling them. They considerably opposed to do it.

Interviewer: Did you make any proposal to save them or convince them?

Mr. Shingu: I just said we'd start to do whatever we could do anyhow, but not what we couldn't do at one time, so please be patient to cooperate with us.

Interviewer: What did you become aware of in order to strengthen each product?

Mr. Shingu: The first thing that Daihatsu had to do was to fix a concept of product. It had no system to get sales information about what product we should develop. This was because Daihatsu originally was good at taking lead in technology since it founded. It didn't want Sales people to say something about products because the development of products was manufacture's task. On the other hand, people in the Sales thought, manufactures were responsible for delivering good products to sales people. So both parties are to blame. Even if we developed new product, we couldn't know how it would be received in the market. Also, people in the Sales didn't feed it back to manufacturer if there were bad problems and they fixed it. We didn't have such system to use the cycle and improve product quality. That's why I felt we had to make such system first. There is no good way except for that. Engineers aren't God therefore they can't manufacture perfect product from the beginning. We sales and engineers both find bad problems and what our customer are unsatisfied to improve them as quick as possible. We had to repeat such things. Our products are cars and we have various staff members from young to the elderly. We made a product planning committee and exchanged information with young people who like cars as much as possible to connect to improve products.

Interviewer: Did you have any special reason mainly to choose young people in the Sales Dept?

Mr. Shingu: They like cars and driving, but we focus on young people in charge of the management side for example, a son of car dealers or Executive Managing Director. We gathered such people. Their above generation are interested in doing business rather than in products itself. Many of them think to manufacture good products is a job for manufacturer. They just think about selling products to make profits.

Interviewer: There are both the old and young generations. If you have good relationship with the young, the other starts to complain that you don't receive their opinions. Did you have such problems?

Mr. Shingu: Yes. We had such opinions but I told them to trust their sons. If they have anything to say, I told them to tell their sons. I did like that.

Interviewer: Did you make smooth of implementing the trial?

Mr. Shingu: We didn't expect many things at the beginning. We couldn't necessarily receive opinions soon that we could make use of it for the next products. However when we actually showed the next product model, we could get extensive information for example, product color doesn't fit to the young or we had better get women's opinions a little more and so on.

Interviewer: As you told me at the beginning of the interview how did proud engineers receive such opinions?

Mr. Shingu: I told them to listen to such opinions precisely because they could get unexpected ideas and receive them honestly. On the other hand, some people disagreed because the cost would increase if they did such thing, but if the element was a key point for selling products, we didn't care about such problem.

Interviewer: You mean you instructed them to receive such opinions without any conditions. Can I understand it like that?

Mr. Shingu: No, I told them to adopt such ideas as much as possible not without any condition. It might be a chance to get product information from the market as the whole. If we ignore of it we can't receive any opinions therefore I told them to listen to it as much as possible.

Interviewer: What was the most difficult point for you in this reform?

Mr. Shingu: I had few difficulties there. They followed me more than I expected. We had 75 sales dealers at that time, 40 of them were direct dealer and the other 35 were owners. We transferred the top to the direct dealer, so if we ordered them they could react to it. That's why I focused on a successor of indirect dealers from the beginning. However, we couldn't receive all of them as a membership, so many of them from all over the places requested to join the committee. In that ways, this trial did work well.

Interviewer: You did various actions as the system to make products such as exchanging opinions between sales and engineers and receiving opinions from the downstream. Is there anything else that you devised?

Mr. Shingu: I visited sales dealer as much as possible to absorb opinions from the top of the sales. Not only me but also all executives are in charge of non-executive director of the main sales dealer, however, all of them don't visit there. I told them to absolutely join the board meeting but they didn't manage to go there because they said to be busy. General managers and managers of Development Dept. didn't go there for the reason to reduce the cost. I told them to join there because it would be advantageous for us if we took the long view. We would rather be disadvantageous if we reduce the cost there. I told them to visit there to communicate with people of sales dealers closely.

Interviewer: The first pillar was to develop salable products as you said now when you became President. In some ways, you promoted communication between departments with a wall before or lowering the threshold between engineers and sales to exchange various opinions each other.

Mr. Shingu: Yes. You're right.

Interviewer: When I saw your documents, you tried to shorten the lead time and development. You mean if you make good use of downstream opinions for product planning, you think you almost might sell products.

Mr. Shingu: It's not enough condition but inevitable. Even if we do it well, we can't necessarily sell products. It's still not enough in some cases. For example, on one hand we have to adopt new technology. Improving communication and the market are different issue from the development of new technology.

Devise of technology development

Interviewer: You talked about the development of new technology. What did you devise to develop it?

Mr. Shingu: I would rather make good use of tie-up with Toyota and apply new information of the development Dept. of Toyota to us than I devise something. We asked the company to give us information and applied it to our light-car as one of the pillars of new technology. So I had people in the development especially engine, safety and electronic technology of departments contact with Toyota Motor. I wanted them to try to pick up something we could use.

Interviewer: They often communicated with people in the Engineering Dept of Toyota, didn't they?

Mr. Shingu: Yes. We had such opportunity once a year before. We announced what we tackled with now or gave information about new product plan and new technology. If they had any good ideas, we thought we would try it. We didn't say it clearly like this but we had such style of communication. We had such opportunity among executives or general managers but we could have difficulty in having it among responsible people on site. Therefore, we promoted people on site often communicated each other to understand what Toyota did. If managers had contact with managers or subsection chief know each other and communicate each other, they also can do such thing easily. In order to make them do it, we make general managers contact with the other. I made them do such thing.

Interviewer: Did the working environment change a lot before and after taking this measure?

Mr. Shingu: Yes. It changed a lot.

Advantage to strengthen the tie-up with Toyota

Interviewer: Generally speaking, for example, your advantage for tying up with Toyota is the first thing is OEM and the second, share of parts. Do you have any other advantages?

Mr. Shingu: We can share technology. There are various fields of technology. For example, there is EFI technology, electronically controlled Fuel Injection. Toyota has been developing it for a long time. We learned such technological points to introduce it to light-car. We also have DLI, Distributer-less Ignition. In case of

conventional internal combustion engine, the mixture of fuel and air aspirated into cylinder's combustion chamber is fired by ignition plugs according to the timing based on the revolution and the load, and explosively combusted. Then, the engine revolution is generated. The method of ignition timing control has been changed from mechanical control by distributor's centrifugal governor and vacuum diaphragm to transistorized electronic control. DLI is a system that does not have a distributor as a result of this change. DLI enables to abolish a bulky ignition coil and high-tension cords and reduce the cost for ignition system. Also, DLI improves the engine output performance and the reliability.

We recently have VVT, Variable Valve Timing or Gasoline Direct Injection, which we haven't put to practical use yet. Mitsubishi developed it as GDI, Gasoline Direct Injection first and Toyota developed it as D-4 engine. However, nobody has ever used it in light-car. We are under development but we can learn it from Toyota. Or we also can learn catalytic technology. We have many things to learn in various areas.

Interviewer: You mean engineers who looked proud aggressively learned from the company while starting to communicate with Toyota.

Mr. Shingu: Yes, you're right. There were few technological innovations or great technology until the 40's of Showa, 1965. However, due to emission regulations and competitive fuel consumption performance, we used many electronic controls. Due to the technology, we can easily improve problem of the performance that we couldn't solve problems only with the conventional mechanical technology. EFI is also the same case as what I said. The past Gasoline engine mechanical fuel injection directly sent air to engine without making air-fuel mixture and injected fuel separately through complicated and expensive precision devices. This system was introduced to prestigious sports car. However, due to the use of electric mechanism at reasonable cost, we could use such technology not only in engine of sports car but also popular car. This is a big technological innovation. Such technology was developed these days. There was no catalyst technology to purify automotive exhaust gas before. Due to the emission regulations, we had to take such measures. This is also one of the innovations. Those engineers couldn't keep proud because they had to have such new field of technology.

Interviewer: You mean it's difficult to continue to develop technology in such competitive technological innovation if you have no enough resources.

Mr. Shingu: Yes.

Interviewer: If Toyota has anything new that you don't have, you learn it.

Mr. Shingu: Automotive manufacturers had many things to do in the field where we also didn't do anything and didn't have to do before. It became clear after the oil crisis happened and environmental issues were focused on. It's still continuing for example when we think about fuel cell stack, it isn't the conventional

automotive technology field. Automotive manufactures have to gather specialists to develop it. They can't develop it alone because it takes a lot of cost for the research and equipment. This is also a reason that automotive industry starts to reorganize.

Interviewer: In addition to purchasing parts, you easily can make good use of mutual resources or cover a shortage of human resources each other due to the tie-up although it might be relating to technology exchange.

Mr. Shingu: Yes.

Interviewer: What do you do for that in detail?

Mr. Shingu: For example, light-car manufacturers were so busy until and during 1998 and 1999. We had no enough members. However, the markets for compact cars and parts were in the severe conditions therefore they helped us send their staff. Not Toyota but Toyota group and Hino helped us transfer their staffs therefore we could have such tie-up with them.

Interviewer: When I heard your story now, I felt you made the first environment and did something even a little. Then, the company was getting better. Is that right?

Mr. Shingu: Yes. Although I said people of Daihatsu looked proud of themselves, many of them were very polite. They had trainings for a long time so if I told them anything, they could listen to it and started to do action. However, for technology, since they accumulated many things, they clearly told me many things, but after I came here, they could follow me frankly.

Interviewer: You didn't have special big problems.

Mr. Shingu: No, I didn't have.

Interviewer: You had been smooth sailing to make a reform.

Mr. Shingu: I didn't exaggerate it like a reform or something. I just thought to manufacture salable products at least devoted myself to make such products. Everybody followed me in such issue frankly.

Hold spirit, courage and persistence.

Interviewer: According to your documents, you made not only an axis to make salable products also an organizational climate to support it. You promoted such activities, using phrases such as "The activity I achieve it" " Hold spirit, courage and persistence," what do you think of it?

Mr. Shingu: It's just an issue of a word and doesn't include a big issue.

Interviewer: Your company is originally polite, but from a viewpoint of an amateur like me, it's difficult to make corporate climate. I mean I feel it as if people who live in a Japanese style change to the American style. I think you had such a reform that conservative people changed to aggressively tackle the reform. What do you think about it?

Mr. Shingu: I was also worried about it at the beginning. However, when I actually came here everybody honestly listened to what I said and gave me positive opinions. Before I came here, the company had "Big wave activity" in the Engineering Dept. Therefore they were used to receiving such reform.

Interviewer: For example, did you do any campaign to develop good products like "I Mr. Shingu do something"?

Mr. Shingu: Although I might have many things to tell you, the most important thing was to do actions. Therefore, I said to do action without too much evaluation. I would take the initiatives in promoting the activity as a leader.

Interviewer: Was there any department to do the action more quickly when they knew your thought? There might have a case that you made a reform at general pace. If anyone knows your intention and starts to move, you can make smooth reform faster than usual?

Mr. Shingu: All people started.

Interviewer: Did they start it together?

Mr. Shingu: Yes. They started it at the same time. Wherever I went, they told their boss their challenge and did action to achieve it.

Interviewer: When you implemented it, did you change personnel evaluation system?

Mr. Shingu: Personnel Dept. started the system to promote to achieve their challenge. Employees register what challenge they would do at the beginning of this term. Those various challenges are picked up by their leader in advance. Employees are evaluated how they achieve it as a part of personnel appraisal. It is reflected to the evaluation at the end of the term.

Interviewer: Do you still continue to do it?

Mr. Shingu: Yes. Staff members fill in a sheet what they will achieve and give it to their boss. This is a sheet to carry out their word. I mean it's "The activity I achieve it" personnel evaluation system.

Interviewer: Is it applied to all employees?

Mr. Shingu: We started it mainly in the managerial level first. In 1996, we introduced it as management by objectives to all employees. Their objectives are decided by consulting with their boss. In addition to voluntary action that I aggressively achieve it, they discuss their objectives with their boss.

Future challenge of Daihatsu

Interviewer: You came here in 1994 and became President and Chairman. When I saw the documents, you made smooth sailing until now. If you had 100 things that you wanted to do when you came here, what percentage did you achieve? Did you achieve almost 100% of them or more than that? Or you haven't done only 50% of them yet.

Mr. Shingu: About a little less than 80%.

Interviewer: What is insufficient for the rest 20%?

Mr. Shingu: I have various things. Even if we develop salable products and sell them well, it's still insufficient. We have to continue to do so. We have to develop such products in advance or make the technical infrastructure to do it that we can connect the development to salable products five or eight years later. When we think about whether our customer is satisfied with the present products or whether they have no complains, of course we can't necessarily receive 100 scores about it. We implement customer satisfaction surveys but I'm afraid we don't get good scores. We still have a lot of insufficient things compared to other competitors. In some ways, we can't get 100 scores. I think we have fewer differences than others in product image. But we still haven't reached perfect level.

Interviewer: The present challenge is to pursue technology and increase the level of customer satisfaction. In order to achieve the points, what do you think to have to do?

Challenge of technology

Mr. Shingu: As I told you at the beginning, in order to learn the ability to develop technology in advance, we have to strengthen our organization a little and cultivate human resources. We can't rely too much on Toyota and we have to get our own technology. The most important thing is to find and cultivate human resources.

Interviewer: Do you have any system to find or cultivate human resources?

Mr. Shingu: No, we haven't had it yet. We'll find human resources both inside and outside of the company. Especially, if we have no various networks outside, we can't do it.

Interviewer: Does Toyota have such system?

Mr. Shingu: In this sense, there are top executives who have such foresight in Toyota. For example, Toyota established Toyota Central Research center in the early period. Seen from such people, we can't begin to compete with them.

Challenge of sales

Interviewer: Do you have any systematic approach to improve customer satisfaction after sales?

Mr. Shingu: We have such activities inside including sales dealer. However, we can't manage to reach the level that we can satisfy.

Interviewer: According to your story, you almost achieved to make corporate climate to develop good products for the six years. You have to improve technological issue of the upstream and the sales issue near the downstream or improve the degree of sophistication as the next challenge.

Mr. Shingu: I haven't told you a big point yet. We tried to give each product image before and achieved it to almost 80%. However, we still have a big challenge to improve corporate brand image of Daihatsu. For example, we exhibited a new car "YRV" in Auto Show before selling it. We received its high evaluation when we had a marketing research at that time. To say it concretely, we hid our corporate name first and researched favorability rating of YRV. Then, we gathered customers who wanted to buy it and asked them what corporate brand they cancelled to buy or wanted to buy. We had such data. They thought YRV was very attractive car. If Honda and Toyota make it, they'll buy it. However, if Daihatsu makes it, we're really afraid to hear that they will refuse to buy. Therefore, we have to improve the corporate brand image as well as each product image.

If we can't improve manufacturer's image or group image including sales dealer, we can't produce salable products. Therefore, we recognized that our challenge was to create our Daihatsu brand image.

Interviewer: Will you do activity to improve brand image? Did you think the two challenges that you said now, pursuing technology and improving customer's satisfaction enable to improve the brand power?

Mr. Shingu: Actually I mean to do everything what you said. For example, there was a bad news that a company hid a recall problem. If we have such problem, we will lose our own brand power, we must not do

such thing. Apart from the issue, we achieve good result in social service activity and so on. We have various things to do. Of course, we have to have good business and market share as one of them.

Change of Sales style

Interviewer: I'm very impressed I could hear about various stories that I could refer. I have one thing that I want to ask you finally. This relates to customer satisfaction surveys. I understand that the style of car sales has been changing for these several years. I mean it has been changing from the conventional direct sales like door-to-door sales to indirect sales like a shopping style that customer visits a shop. What do you think about such thing and what activity do you have for that?

Mr. Shingu: Of course, we promote to change to the new style of invitation to visit our dealer's shop. We invite customers who want to buy a car or request after service to our dealer's shops and introduce enough profitable products and information to prevent them from going to other shops.

Interviewer: Do you mean both customer and sales have advantage if they do such activity?

Mr. Shingu: Yes.

Interviewer: What advantage do they have?

Mr. Shingu: The both will work effectively. A person of door-to-door sales sometimes bothers customers because he visits them when they are unnecessary or he doesn't visit when they are necessary.

Interviewer: Do you make the system so that customers can see or buy products when they want to do so?

Mr. Shingu: Yes.

Interviewer: What advantage do sales staffs have?

Mr. Shingu: They don't have to pay customers a visit to no purpose.

Interviewer: I see. They don't have to feel uncomfortable.

Mr. Shingu: In addition to it, it's more efficient to sell products.

Interviewer: Do you have positive thought about it?

Mr. Shingu: Yes. This is the best way to do it. Therefore, we try to make easy-to-visit shop for customers. However, if we have a exclusive atmosphere like high society, they feel difficult to come in. If our sales staffs

give customers bad services, they will have bad image for them.

Interviewer: So, you would rather change to help customers when they need to see your products in some ways than you sell products while getting sweaty and the wearing out the soles of the shoes. The image of automotive sales will be considerably changing.

Mr. Shingu: I think it'll change to such style gradually.

Interviewer: Thank you very much for providing us with useful story.

Postscript

Daihatsu tries to get a chance to make a leap forward in large changes of automotive industry. One of the means is to strengthen the relationship with Toyota, a parent company especially Daihatsu has many things to learn from the company in technology field. Mr. Shingu said. In case of strengthening products brand, the important element is to get information from the downstream consumer market. In some way, he devises to lower the threshold between the downstream sales, sales dealer and the upstream product planning, engineering Dept. to promote communication each other. He promotes such reform smoothly now. Daihatsu still has a lot of challenges, but it has clear objectives to do in the downstream and upstream such as to develop deep level of technology and improve customer satisfaction and strengthen brand image. Mr. Shingu is quiet but has full of confidence of talking, which clearly shows that the company will have a bright future. Furthermore, the top indicates the clear direction in the corporate reform and establishes the system to achieve it. Then, he makes people on site do action. He's persistent to support them and keep an eye on them. A seed of the reform that he planted would come into bud and become a bigger tree. We could finish this interview while we felt comfortable breeze from the reform momentum. (Interviewer: Susumu Ogawa).